GOVERNMENT OF INDIA
STEEL
LOK SABHA

UNSTARRED QUESTION NO:3975
ANSWERED ON:19.04.2000
WAIVER OF LOANS
RAVINDRA KUMAR PANDEY

Will the Minister of STEEL be pleased to state:

(a) the details of IDBI and Mckinsey report of Ministry of Steel on waiver of loan outstanding against SAIL;

(b) the criteria of waiver of loans outstanding against Public Sector Undertakings;

(c) whether the Government have prepared any policy for waiver of loans outstanding against other Public Sector Undertakings in the country;

(d) if so, the details thereof; and

(e) if not, the reasons therefor ?

Answer

MINISTER OF STATE FOR STEEL

(SHRI DILIP RAY)

(a) Industrial Development Bank of India (IDBI), based on March, 98 final accounts, had recommended a financial restructuring package comprising of, inter alia, write down of SDF/GoI loan amounting to Rs.4809 crore.IDBI also suggested the conversion of balance SDF loan of Rs.1622 crore into capital reserve thereby waiving the total outstanding dues to SDF of Rs.6069 crore as on 31st March, 1998.

(b) to (e): No policy or criteria has been laid down regarding waiver of Government loans to PSUs.As a general rule, Government loans are not written off. However, PSUs often propose waiver of Government loans as part of their restructuring/turn around proposals. Waiver is then considered on a case to case basis taking into account the financial and business circumstances of the particular undertaking and in the context of the need to revive the undertaking and make it viable.